

If you're an excluded employee enrolled in the Long-Term Disability plan (LTD), you should be aware of an upcoming rate change.

Effective Oct. 1, 2004, your payroll deduction for LTD will increase slightly unless you opt to reduce your current benefit level. If you reduce your benefit level, your premium will be lower.

The State of California's LTD insurance plan provides income up to a set amount if you become sick or disabled and can't work for an extended period (at least six months). All current enrollees have coverage at the 65% level, which means your income is guaranteed up to that amount (not to exceed \$6,000/mo.) Refer to the chart below to calculate what your new rate will be Oct. 1.

You should have received a packet at your home address from DPA if you're currently enrolled in the LTD plan. The packet includes a form you must send in **by Sept. 3** if you want to reduce your coverage and premium. The packet also includes a brochure from The Standard Insurance Company, the new carrier DPA selected to administer this benefit.

[Click here](#) to visit The Standard's Web site and learn more about this benefit. The site also includes a "needs estimator and premium calculator."

What are my options?

- You do **not** need to take any action if you're currently enrolled in the LTD plan and want to maintain your current benefit level (65% coverage). Your premium will automatically increase effective Oct. 1, 2004.
- You may change to a 55% benefit level at a lower premium. To choose this option, you must fill out the form we mailed you (or get another one from your personnel office) and **return it by Friday, Sept. 3, 2004**. Your new rate will take effect Oct. 1, 2004.
- There will be an LTD open enrollment in early 2005 to make further changes or enroll for the first time.

How do I calculate my premium?

1. Find your retirement category and age group in the chart below.
2. Follow the row across to find the rate factor for the benefit level you want to calculate.
3. Multiply your monthly base salary by that rate factor to calculate the monthly premium.
4. Add \$0.80 (administrative fee) to the monthly premium to calculate your total monthly LTD payroll deduction.

Retirement Category	Age	Current Rate Factor (65% Benefit Level)	New Rate Factor 65% Benefit Level	New Rate Factor 55% Benefit Level
Miscellaneous or Industrial	under 30	.0009	.00103	.00060
	30-39	.0022	.00246	.00132
	40-49	.0050	.00564	.00312
	50-59	.0107	.01210	.00660
	60 or over	.0145	.01642	.00900
Peace Officer, Firefighter, or Safety	under 30	.0013	.00144	.00084
	30-39	.0031	.00349	.00192
	40-49	.0072	.00810	.00444
	50-59	.0154	.01734	.00948
	60 or over	.0207	.02339	.01284

Example: A 45-year-old excluded employee in the Miscellaneous category, with a monthly base salary of \$4,700, currently pays **\$24.30/month**. ($\$4,700 \times .0050 + \0.80)

If this same employee takes no further action and remains at the same 65% benefit level, the monthly LTD deduction will be **\$27.30/month** effective Oct. 1, 2004. ($\$4,700 \times .00564 + \0.80)

If this same employee changes to the 55% benefit level, the monthly LTD deduction will be **\$15.46/month** effective Oct. 1, 2004 ($\$4,700 \times .00312 + \0.80)